



CITY COUNCIL MINUTES

March 24, 2015

15728 Main Street, Mill Creek, WA 98012 # (425) 745-1891

Pam Pruitt, Mayor
Brian Holtzclaw, Mayor Pro Tem
Sean Kelly
Donna Michelson
Vince Cavaleri
Mike Todd
Mark Bond

March 24, 2015
Regular City Council Meeting
6:00 p.m.

CALL TO ORDER

Mayor Pruitt called the meeting to order at 6:00 p.m.

FLAG SALUTE

Flag Salute was conducted.

ROLL CALL

Roll was called by the City Clerk with all Councilmembers present.

AUDIENCE COMMUNICATION

There were no comments from the audience.

STUDY SESSION

Discussion with State Representative Harmsworth
(Landy Manuel, Acting City Manager)

The following agenda summary information was presented:

State Representative Harmsworth has requested time to address the City Council. The intent is to conduct an open discussion on legislative agenda topics of concern with the Mill Creek City Council.

Discussion.

Council received a legislative update from Representative Harmsworth and engaged in a discussion.

Joint Meeting with Planning Commission

(Tom Rogers, Director of Community Development)

The following agenda summary information was presented:

Background - The City of Mill Creek is in the process of preparing the mandatory 2015 Comprehensive Plan Update. The update process includes revising the plan to meet the current Countywide Planning Policies, including the most recent population and employment targets, recent revisions to the Growth Management Act (GMA), and updating the plan to meet existing conditions. In addition, the City Economic Development Committee recently published their report, which included recommendations for allowing more mixed use development and allowing increased building heights to encourage the eventual redevelopment of the Commercial and Business Park areas.

The Comprehensive Plan update must have early and continuous opportunities for public involvement. To meet this GMA requirement, staff prepared a Public Participation Plan, which establishes a schedule for when the various elements of the Comprehensive Plan will be discussed by the Planning Commission and when the formal open houses and public hearing(s) will be held. The Public Participation Plan is available on the City website. As can be seen on the schedule in the Public Participation Plan, staff has been working with the Planning Commission and the Park Board on preparing the update for several months, and significant progress has been made.

Land Use Element - The next element to be prepared is the Land Use Element. The Land Use Element is the most familiar and referred to element in the Comprehensive Plan. The policies within the Land Use Element are reflected in the City's Land Use Map, which provides the basis for the zoning designations for properties within the City. The policies also are the basis for the development regulations which guide the form that the City takes. To assist in the preparation of the Land Use Element update, it would be beneficial for the City Council and the Planning Commission to discuss land use issues that have been identified.

Issue 1) Setting the stage for future redevelopment

As has been discussed before, the regional growth strategy adopted in the Puget Sound Regional Council's Vision 2040 Plan directs the lion's share of new population and employment to the County's Metropolitan and Core Cities (Everett, Lynnwood, and Bothell). Since the 2035 population and employment targets are not significantly different than Mill Creek's 2020 targets, the City of Mill Creek's existing Comprehensive Plan land use designations and the implementing Zoning Map designations can already accommodate the initial 2035 population and employment targets established in the Countywide Planning Policies. Also, there is relatively little vacant/underdeveloped land left within the city limits; and since most of the residential stock is in very good condition, large-scale redevelopment of the residential properties is unlikely.

On the other hand, some of the commercial properties (Community Business (CB) and Business Park (BP) zones) within the City are showing some age, have vacant spaces, and may redevelop sometime in the 20-year planning period. In addition, Community Transit is proceeding with plans for a Swift 2 transit line between Canyon Park and Boeing Field. This line would run through Mill Creek along SR 527, with stops at or near several commercial properties in the City. Because of those factors, one of the major issues to be addressed in the City's Land Use Element consists of how would the City want these Community Business and Business Park properties to be redeveloped when the market forces make redevelopment attractive to the property owners.

Without a change in the City's land use policies and zoning regulations, redevelopment of the existing commercial centers will result in a similar product. The report prepared by the Economic Development Committee contains recommendations to change zoning regulations to allow mixed use in the CB zone district. Current policies and regulations limit residential uses to less square footage than the commercial uses on a site. This makes true mixed use unfeasible because there is not enough density to make underground parking economically viable. Surface parking thus dominates the site and limits the value and usability of the site. If the Planning Commission wishes to allow mixed use in the CB zone district, policies and regulations could be put in place that would allow additional residential units and increased building heights subject to requirements for a prescribed percentage of structured parking or other amenities such as public spaces.

In addition to the redevelopment of the CB zoned properties, there may be opportunities to redevelop Main Street/Mill Creek Boulevard corridor between Town Center and 164th Street Southeast. Because of its close proximity to the City core and the generous width of right-of-way along Mill Creek Boulevard, this corridor may be a good candidate for more pedestrian friendly street improvements and a mixed use and/or commercial land use designation. In addition, staff and the Planning Commission have been working on potential amendments to the Critical Area Regulations that allow redevelopment of properties adjacent to North Creek within their existing impervious surface footprint. This would remove a large impediment to redeveloping these properties.

Proposed policies - Staff and the Planning Commission have discussed the issue described above and believe that significant changes to the CB and BP zoning regulations may be desirable. While no specific language has been prepared to date, staff will be proposing policies calling for a study in the near future to determine if the downtown area could support mixed use in Main Street/Mill Creek Boulevard corridor, and potentially the preparation of zoning regulations to facilitate mixed use development.

Issue 2) Appropriate uses in the East Gateway Urban Village

There has been discussion about the implementation of the East Gateway Urban Village (EGUV) Plan. Since the Plan was adopted in 2008, The Gateway Building was constructed just west of the Advent Lutheran Church and Polygon is nearing completion of developing approximately 18 acres on the east side of the subarea. When the Polygon development application was submitted to the City, the Council took steps to encourage commercial development and to prevent stand-alone residential west of 144th Street SE. These steps included: 1) allowing residential uses only on the second floor or above and in conjunction with ground floor commercial use; 2) removing the requirement for a minimum of 400 dwelling units; and 3) removing the 60,000 square foot maximum foot print for any one business.

After the EGUV code amendments were adopted, staff spent substantial time and effort working with Target to try to facilitate their location in EGUV. Ultimately, Target choose not to develop in the EGUV. Last week, the City received an application for the 4-acre Mollgaard property. This development has housing above commercial which faces onto the future spine road, but the amount of commercial is less than what was expected at the time the code changes were made. At this point, approximately 14 usable acres of land is available west of 144th Street SE, 12 acres west of the Mollgaard property (Penny Creek Partners Property), and a 2-acre strip remains on the east side of the Mollgaard property (Rim/Kim Property). To put this acreage in perspective, The Mill Creek Plaza (SR 527/164th Street SE) is approximately 12.5 acres in area. If the City wants to ensure that a certain amount of commercial development is achieved on the remaining parcels in the EGUV, changes to the Zoning Code, and possibly the Comprehensive Plan could be adopted.

To facilitate the Council/Planning Commission discussion, staff intends to make a brief presentation after the Special Planning Commission meeting is opened and introductions are made. Staff will be prepared with materials such as maps and other documents that may assist the Council and Planning Commission in their discussion.

Discussion.

Council and the Planning Commission members engaged in a discussion regarding the topics above.

The Council took a break from 7:28 p.m. to 7:36 p.m.

Proposed Amendment to Mill Creek East Gateway Urban Village Development Agreement
(Tom Rogers, Director of Community Development)

The following agenda summary information was presented:

As required in the EGUV zoning district (MCMC 17.19), the City and Polygon Northwest entered into a Development Agreement prior to the approval of the Polygon Northwest Binding Site Plan (BS 12-63). The Development Agreement established responsibilities for the City and the Developer on a wide variety of topics related to the development, including construction of the neighborhood park, maintenance responsibilities, etc. One of the provisions in the agreement was a restriction on the type of “commercial” uses that could be built on the 1.7-acre commercial lot (Parcel A). The primary reason for the use restrictions was to ensure that commercial uses were provided within the “mixed use” development. The specific provision is in Section 10.4 and reads as follows:

10.4 Commercial Lot

10.4.1 The Binding Site Plan must include on its face a restriction that requires commercial development use/of the Commercial Lot (as shown on Exhibit C), and prohibits residential and other non-retail uses, unless the uses are located above commercial uses. Permissible commercial uses are those listed in MCMC 17.19.040, Sections A, B, C, and J.”

The approved Binding Site Plan did include this restriction consistent with the Development Agreement.

Following is the applicable Code Section that identifies the principal uses within EGUV. The bolded items are the only uses allowed on Parcel A pursuant to the Development Agreement:

MCMC 17.19.040 Principal uses.

All uses shall be identified on the approved detailed master development plan. Principal uses are:

A. Retail sales and services except automotive, boat, and recreational vehicle sales;

B. Eating and drinking establishments (drive-through service prohibited);

C. Banks, financial and professional services;

D. Multi-Family Residential.

1. West of the 44th Avenue SE intersection, multi-family residential is permitted only above ground floor commercial;

E. Business and professional offices;

F. Personal services, dry cleaners, salons, etc.;

G. Medical and dental clinics and offices;

H. Parking structures;

I. Commercial day care;

J. Craft shops and galleries;

K. Public buildings, facilities/utilities;

L. Transit facilities/stops;

M. Hotel and motels;

N. Open space, parks and plazas;

O. Religious facilities;

P. Theaters and performing arts uses; and

Q. Other uses consistent with the purposes of the district. (Ord. 2012-746 § 1 (Exh. A); Ord. 2009-702 § 2 (Exh. C); Ord. 2008-676 § 2)

Proposed Amendment

The Development Agreement also contains a provision that allows amendments to the Development Agreement. The provision reads as follows:

22.1 Modification. During the vested term set forth in Section 8.4, this Agreement may be modified only upon mutual consent of the Mill Creek City Council and Developer. Either Party may seek a modification by giving written notice thereof to the other Party. No Party is obligated to agree to any modification of this Agreement. Modification may require compliance with the public notice and hearing requirements of RCW 36.70B.200 et seq. or other applicable laws then in effect.”

Pursuant to this section, Polygon Northwest has submitted to the City a written request to amend the Development Agreement. The request is to allow two additional commercial uses from the EGUV list of Principal Uses: G. (Medical and Dental Clinics and Offices) and I. (Commercial Day Care).

At the meeting on March 24, 2015, Derek Straight, Washington Division President of Polygon Northwest will address the Council to present the request for the amendment to the Development Agreement. If a majority of the City Council would like to formally consider the request, a public hearing is required and could be scheduled at a future City Council meeting.

Discussion.

Derek Straight

President, Polygon Northwest

Mr. Straight addressed the Council about the need for the amendment.

Council discussed whether or not they would consider the amendment and schedule a public hearing. The consensus of the Council was to set a public hearing date.

Information Technology Policy

(James Busch, Information Systems and Technology Manager)

The following agenda summary information was presented:

The current policy covering "Internet, e-mail, and computer local area network use" City Council Policy 97-04 is from 1997 and therefore outdated. Additionally, the WCIA cyber liability audit required the City to adopt an updated Information Technology Policy and forward it to WCIA by March 31st, 2015.

At the council meeting on March 10, an Information Technology Policy was presented for council review and some concerns were brought up. The decision was made to postpone voting on the resolution to give council members and City staff time to address the concerns. In the packet for council review is an updated Information Technology Policy that would apply to anyone using City owned or maintained information technology. The major changes are as follows:

- 1) Define users of Information Technology as "IT Users" and replace most instances of the term "employees" with "IT Users"
- 2) Clarify which Information Technology devices must comply with the password procedures
- 3) Expanded section 5c to include all forms of instant messaging, not just text messages
- 4) Miscellaneous clarifications typos

Many, but not all, existing personnel policies have been approved by the council through resolution or in the form of City Council Policies. Chapter 1.24 of the MCMC establishes a process for the Council to adopt such policies and administrative procedures. It contemplates the City Manager will adopt "administrative procedures" to implement council established policies. Chapter 1.24 says that it is not meant to limit the City Manager's authority or the Council's ability to delegate authority to the City Manager.

For efficiency purposes and to clarify the authority of the City Manager, staff recommends the Council delegate authority to the City Manager to adopt administrative information technology policies that do not affect employee compensation, benefits, or the approved budget. These types of policies are commonly adopted at the staff level in other cities. However, the Council's past adoption of policies calls into question the extent of the City Manager's authority to adopt such administrative policies and procedures. If the Council adopts the proposed resolution, the existing outdated policies will be repealed concurrently with the City Manager's adoption of replacement policies. The draft policies, which are not yet finalized, are provided for the Council's information.

Discussion.

IT Manager Busch discussed the revised IT Policy with the Council and explained the changes. The Council also discussed purchasing devices for the Councilmembers. Councilmembers who are interested in purchasing a device, can coordinate with IT Manager Busch.

MOTION: At 8:30 p.m., Councilmember Michelson made a motion to extend the meeting to 9:00 p.m., Councilmember Kelly seconded the motion. The motion passed unanimously.

Ordinance to Update the 2015 Pay Plan
(Landy Manuel, Acting City Manager)

The following agenda summary information was presented:

Ordinance 2012-753 established a pay and classification system for regular non-represented employees and employees represented by AFSCME. The system includes a pay plan that places Council approved positions into pay grades and establishes a process for employees to advance through steps within the grades.

The pay plan is automatically updated each January 1 to account for cost of living increases, calculated based upon a formula that averages the increases awarded by comparable cities and the CPIW-Seattle area first half index. This year, the formula resulted in an increase of 1.47%.

Council approval is required when approved positions are added, removed or reclassified from one pay grade to another. The pay plan was last updated in Ordinance 2014-783, when the Council authorized a staffing reorganization that included new and revised positions.

Additional changes are now necessary as a result of decisions made during last year's budget adoption process. The adopted 2015-2016 budget eliminated the contemplated Assistant City Engineer and Assistant City Clerk positions. Those positions are now removed from the 2015 pay plan.

The 2015 pay plan also includes reclassification of a limited number of AFSCME represented positions that the Council authorized the previous City Manager to negotiate with the union to ensure those positions are paid competitively. The financial impact of the negotiated changes were included within the approved budget.

The City Clerk position, which Ordinance 2014-783 reclassified from grade 18 to grade 21, is reclassified to grade 20 in the 2015 pay plan. This change reflects the pay of similar positions in comparable cities and accounts for a reduction in public outreach, supervisory, and other enhanced duties that were contemplated to come with the addition of the now eliminated Assistant City Clerk position. The Bainbridge Island salary survey used by the former City Manager to evaluate the City Clerk position is included in the packet. Page four of the survey shows the cities that participated; many of them are much larger in terms of population than Mill Creek. Our established method for selecting comparables is based on population, AV per capita and Puget Sound area counties. These criteria are also what we have utilized for union negotiations including the current Guild negotiations. The WA Public Employers Survey not only uses entities much larger than Mill Creek but agencies other than cities such as ports, Sound Transit and PUD's. The compensation ratios for various Mill Creek salary grades are shown in pink and flesh colors.

The Public Works Director position is recommended to be moved down one grade from 26 to 25. The former City Manager was not compelled to recommend this with the re-org done last summer when significant responsibilities for engineering and surface water were moved to the Community Development department. Disaster preparedness duties were added to the position and it is also responsible for several major city contracts like solid waste and franchise agreements. Comparables to similar size cities is included in the packet; the mid-point of grade 25 puts it at 89% of the peer group.

Actual salaries for the downgraded positions will not be reduced; the primary purposes are to restore overall equity to the pay plan and to cap future pay at levels commensurate with our recognized peers.

Discussion.

Finance Director Manuel explained the 2015 salary plan ordinance. He explained why there is a recommendation to move the City Clerk to a grade 20 and the Public Works Director position to a 25. Council engaged in a discussion. This item is scheduled for action later in the meeting.

Open Discussion
(City Council)

Council discussed 35th Avenue and the request to put it on the State transportation projects list for \$4 million.

MOTION: At 9:00 p.m., Councilmember Cavaleri made a motion to extend the meeting to 9:15 p.m., Councilmember Michelson seconded the motion. The motion passed unanimously.

CONSENT AGENDA

Approval of Checks #53469 through #53533 and ACH Wire Transfers in the Amount of \$164,328.62.

(Audit Committee: Councilmember Michelson and Councilmember Bond)

Payroll and Benefit ACH Payments in the Amount of \$297,603.41.

(Audit Committee: Councilmember Michelson and Councilmember Bond)

City Council Meeting Minutes of February 24, 2015

City Council Meeting Minutes of March 3, 2015

MOTION: Councilmember Michelson made a motion to approve the consent agenda, Councilmember Bond seconded the motion. The motion passed unanimously.

ACTION ITEMS

Ordinance Establishing the 2015 Salary Plan (If adopted, would take Ordinance #2015-793)

(Landy Manuel, Acting City Manager)

MOTION: Mayor Pro Tem Holtzclaw made a motion to approve Ordinance #2015-793, Establishing the 2015 Salary Plan, Councilmember Kelly seconded the motion.

MOTION: At 9:15 p.m., Councilmember Todd made a motion to extend the meeting to 9:30 p.m., Councilmember Cavaleri seconded the motion. The motion passed 6-1-0 with Councilmember Bond opposed.

MOTION VOTE: The motion passed 5-2-0 with Councilmember Bond and Councilmember Michelson opposed.

Resolution Authorizing the City Manager to Implement the Information Technology Policy and Repeal City Council Policy 97-04 (If approved, would take Resolution #2015-527)
(James Busch, Information Systems and Technology Manager)

MOTION: Councilmember Michelson made a motion to approve Resolution #2015-527 Authorizing the City Manager to Implement the Information Technology Policy and Repeal City Council Policy 97-04, Mayor Pro Tem Holtzclaw seconded the motion. The motion passed unanimously.

REPORTS

Mayor Pruitt reported that she attended the WCIA leadership forum last week. She also attended the last Economic Alliance Luncheon.

Councilmember Cavaleri reported that he attended the last WRIA 8 meeting.

Mayor Pro Tem Holtzclaw reported that the SCT Steering Committee meeting was canceled.

AUDIENCE COMMUNICATION

There were no comments from the audience.

ADJOURNMENT

With no objection, Mayor Pruitt adjourned the meeting at 9:25 p.m.



Pam Pruitt, Mayor



Kelly M. Chelin, City Clerk